

**REAL ESTATE COMMISSION**

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII  
1010 RICHARDS STREET  
P. O. BOX 3469  
HONOLULU, HAWAII 96801

**FINAL  
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)  
PUBLIC REPORT**

on

KONA MAKAI, PHASE II  
75-6026 Alii Drive  
Kahului, North Kona, Hawaii

Registration No. 1009

**IMPORTANT — Read This Report Before Buying**

**This Report Is Not an Approval or Disapproval of This Condominium Project**

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project until

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: September 21, 1978

Expires: October 21, 1979

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MAY 25, 1978 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF SEPTEMBER 15, 1978. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, CHAPTER 514A, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report on "KONA MAKAI, PHASE II", Registration No. 1009, dated June 26, 1978, the Developer has submitted additional information which is deemed material. This Final Public Report is made a part of the registration of the KONA MAKAI, PHASE II condominium project. The developer is responsible for placing this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers along with a copy of the Preliminary Public Report (yellow paper stock). The Developer is responsible for securing from each purchaser and prospective purchaser a signed receipt, signifying that the purchaser or prospective purchaser has had an opportunity to read both reports, but if the purchaser or prospective purchaser does not execute and return a receipt for both reports within thirty days from the date of delivery of such reports, he shall be deemed to have receipted for the reports.
2. The Developer of the project has submitted to the Commission for examination all documents necessary for the registration of a condominium project and issuance of this Final Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime and the Bylaws dated October 18, 1977 have been filed in the Bureau of Conveyances of the State of Hawaii in Liber 12500 at Page 486; the Amended Declaration of Horizontal Property Regime and the Bylaws, as amended, dated May 31, 1978, have been filed as aforesaid in Liber 13090 at Page 728; and the Condominium Map, as amended, has been filed as Condominium Map No. 519.
4. Advertising and promotional matter has been submitted to the Commission pursuant to its rules and regulations.
5. The Developer advised the Commission that at the time the first condominium conveyance document is entered into and recorded between the fee owner and an apartment purchaser, every mortgage and other lien affecting both such apartment and any other apartment shall be paid and satisfied of record, or the apartment being conveyed shall be released therefrom by partial release duly recorded.
6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A of the Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

7. This Final Public Report automatically expires thirteen (13) months after the date of issuance, September 21, 1978, unless a Supplementary Public Report issues, or the Commission, upon review of this registration, issues an order extending the effective date of this report.

The information under the topical headings of the Preliminary Public Report issued June 26, 1978 has not changed except for that under the following headings:

ENCUMBRANCES: The Developer has submitted a Preliminary Report dated September 5, 1978 prepared by Title Guaranty of Hawaii, Inc. that updates their Report dated May 22, 1978. Said Report of September 5, 1978 reflects the same encumbrances as shown in the earlier Report and the Commission's Preliminary Public Report except for the addition of the First Amendment to the Declaration of Horizontal Property Regime dated May 31, 1978, recorded in Liber 13090, Page 728, ByLaws and Condominium Map 519 aforementioned.

PURCHASE MONEY HANDLING: The Developer irrevocably surrenders his right to terminate all Sales Contracts if less than sixty percent (60%) of the apartments in the project are sold prior to the closing of the sale of the first apartment in the project.

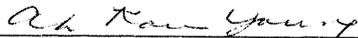
PROGRAM OF FINANCING: The developer has complied with the provisions of Section 514A-40, Hawaii Revised Statutes, by filing with the Commission the following:

1. Developer's verified statement of total development cost.
2. Developer's verified estimated completion date of the project.
3. A performance bond in the amount of not less than 100% of the construction contract price, dated August 1, 1978, issued by The Travelers Indemnity Company, as surety, Cawdrey-Mars-General, as principal, and The Valley Kai Development Company, as obligee.
4. Agreement dated June 26, 1978, by and between The Valley Kai Development Company, as Developer, and Cawdrey-Mars-General, a joint venture consisting of Cawdrey Construction Co., Mars Constructors, Inc. and General Construction Co., as contractor.
5. A commitment letter from First Hawaiian Bank dated June 16, 1978, as amended by letter dated June 30, 1978, providing an interim loan.

MANAGEMENT AND OPERATION: The developer, on behalf of the Association of Apartment Owners of Kona Makai, has entered into a Management Agreement, dated November 21, 1977, as amended by Amendment dated May 25, 1978, with Kanaloa Realty & Property Managers, Inc.

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The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted May 25, 1978, and additional information subsequently filed on September 15, 1978.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1009 filed with the Commission on May 25, 1978. The report, when reproduced, shall be a true copy of the Commission's public report. The paper stock used in making facsimiles must be white in color.

  
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AH KAU YOUNG, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

DISTRIBUTION:

DEPARTMENT OF TAXATION  
BUREAU OF CONVEYANCES  
PLANNING DEPARTMENT  
COUNTY OF HAWAII  
FEDERAL HOUSING ADMINISTRATION  
TITLE GUARANTY ESCROW SERVICES, INC.

Registration No. 1009  
Date: September 21, 1978